

§ 910.1

any then outstanding consolidated bonds.

(d) *Unsecured, senior liabilities* means all obligations of the Banks recognized as a liability under Generally Accepted Accounting Principles, except:

(1) Liabilities that are covered by a perfected security interest;

(2) Consolidated bonds;

(3) Bonds issued pursuant to 12 U.S.C. 1431(a); and

(4) Allowance for losses for off-balance sheet obligations.

[57 FR 62186, Dec. 30, 1992]

§ 910.1 Issuance of consolidated bonds.

(a) *General.* The Board will determine and authorize the issuance of all consolidated bonds, dates of issue, maturities, rates of interest, terms and conditions thereof, and the manner in which such bonds shall be issued, subject to the provisions of 31 U.S.C. 9108. The Board in its discretion may delegate this responsibility.

(b) *Leverage limit.* The Board shall not issue senior bonds, other than bonds issued to refund consolidated bonds previously issued, if, immediately following such issuance, the aggregate amount of senior bonds and unsecured, senior liabilities of the Federal Home Loan Banks exceeds twenty (20) times the total paid-in capital stock, retained earnings and reserves (excluding loss reserves and deposit reserves pursuant to 12 U.S.C. 1431(g)), of all the Federal Home Loan Banks.

(c) *Negative pledge requirement.* The Federal Home Loan Banks shall at all times maintain assets of the following types, free from any lien or pledge, in a total amount at least equal to the amount of senior bonds outstanding:

(1) Cash;

(2) Obligations of or fully guaranteed by the United States;

(3) Secured advances;

(4) Mortgages as to which one or more Federal Home Loan Banks have any guaranty or insurance, or commitment therefore, by the United States or any agency thereof;

(5) Investments described in section 16(a) of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1436(a)); and

(6) Other securities which have been assigned a rating or assessment by a major nationally recognized securities

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rating agency that is equivalent to or higher than the rating or assessment assigned by such agency on senior bonds outstanding.

Provided, however, that any assets of the types described in paragraphs (c)(1) through (6) of this section which are subject to a lien or pledge for the benefit of the holders of any issue of senior bonds shall be treated as if they were assets free from any lien or pledge for purposes of compliance with this provision.

[57 FR 62186, Dec. 30, 1992]

§ 910.2 Form of consolidated bonds.

Consolidated Federal Home Loan Bank bonds shall be issued in series and all consolidated bonds of the same series shall be of like date, tenor, and effect except as to denominations, which shall be in such amounts as may be authorized by the Board. The form of each consolidated bond shall be prescribed by the Board. Consolidated bonds issued with maturities of 1 year or less may be designated consolidated notes.

[42 FR 56316, Oct. 25, 1977. Redesignated at 54 FR 36759, Sept. 5, 1989]

§ 910.3 Transactions in consolidated bonds.

The general regulations of the Department of Treasury now or hereafter in force governing transactions in United States securities, except 31 CFR part 357 (regarding book-entry procedure), are hereby incorporated into this part, so far as applicable and as necessarily modified to relate to consolidated Federal Home Loan Bank bonds, as the regulations of the Board for similar transactions in consolidated Federal Home Loan Bank bonds. The book-entry procedure for consolidated Federal Home Loan Bank bonds is contained in part 912 of this subchapter.

[63 FR 8059, Feb. 18, 1998]

§ 910.4 Lost, stolen, destroyed, mutilated, or defaced bonds.

The statutes of the United States now or hereafter in force, and the regulations of the Treasury Department, now or hereafter in force, governing relief on account of the loss, theft, destruction, mutilation, or defacement of

United States securities, so far as applicable and as necessarily modified to relate to consolidated Federal Home Loan Bank bonds, are hereby adopted as the regulations of the Board for the issuance of substitute consolidated Federal Home Loan Bank bonds or the payment of lost, stolen, destroyed, mutilated, or defaced consolidated Federal Home Loan Bank bonds.

[23 FR 9878, Dec. 23, 1958. Redesignated at 54 FR 36759, Sept. 5, 1989]

§910.5 Administrative provision.

The Secretary of the Treasury, or the Acting Secretary of the Treasury, is hereby authorized and empowered, as the agent of the Board and the Federal Home Loan Banks, to administer the regulations of the Board adopted by §§910.3 and 910.4, and to delegate such authority at his discretion to other officers, employees, and agents of the United States Treasury Department. Any such regulations may be waived on behalf of the Board and the Federal Home Loan Banks by the Secretary of the Treasury or the Acting Secretary of the Treasury or by an officer of the United States Treasury Department authorized to waive similar regulations with respect to United States securities, but only in any particular case in which a similar regulation, with respect to United States Securities would be waived. The terms "securities" and "bonds" as used in this section shall, unless the context otherwise requires, include and apply to coupons and interim certificates.

[23 FR 9878, Dec. 23, 1958. Redesignated at 54 FR 36759, Sept. 5, 1989, and amended at 55 FR 2229, Jan. 23, 1990]

§910.6 Reservation of right to revoke or amend; limitations thereon.

(a) *General.* The right to revoke or amend this part, or to prescribe and issue supplemental or amendatory rules and regulations thereto, is hereby reserved.

(b) *Limitation on amendment of leverage limit or negative pledge requirement.* No revocation or relaxation of any of the restrictions or requirements contained in or imposed by §910.1 (b) or (c) shall be effected except:

(1) If there are no senior bonds then outstanding or if there shall have been

deposited with the Treasurer of the United States, noncallable (or called) direct obligations of the United States of America or obligations fully guaranteed by the United States of America of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient to pay in full (together with any other moneys placed in trust and irrevocably committed for such payment and without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom) the principal of and interest to date of maturity or to such date designated for redemption and any redemption premium on all senior bonds the holders of which have not consented to such revocation or relaxation; or

(2) Section 910.1(b) may be changed by the Board in any manner if the Board receives either:

(i) Written evidence from at least one major nationally recognized securities rating agency which rates or makes an assessment of the senior bonds that such change in that provision will not result in the lowering of its then-current rating or assessment on senior bonds outstanding or next to be issued; or

(ii) A written opinion from an investment banking firm that such change would not have a materially adverse effect on the creditworthiness of senior bonds outstanding or next to be issued.

[57 FR 62186, Dec. 30, 1992]

PART 912—BOOK-ENTRY PROCEDURE FOR Federal HOME LOAN BANK SECURITIES

Sec.

912.1 Definitions.

912.2 Law governing rights and obligations of Federal Home Loan Banks, Finance Board, Office of Finance, United States and Federal Reserve Banks; rights of any Person against Federal Home Loan Banks, Finance Board, Office of Finance, United States and Federal Reserve Banks.

912.3 Law governing other interests.

912.4 Creation of Participant's Security Entitlement; security interests.

912.5 Obligations of Federal Home Loan Banks and the Office of Finance; no Adverse Claims.